

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

200 W. Washington, Suite 301
Indianapolis, IN 46204
(317) 233-0696
<http://www.in.gov/legislative>

FISCAL IMPACT STATEMENT

LS 6268

BILL NUMBER: SB 64

NOTE PREPARED: Nov 14, 2003

BILL AMENDED:

SUBJECT: Property tax installments and penalty waivers.

FIRST AUTHOR: Sen. Simpson

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: X GENERAL
DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill authorizes, upon petition of the county executive with respect to property taxes on homesteads, the Department of Local Government Finance to establish a schedule of installment payments or to waive late payment penalties. It legalizes and validates any action taken by the Department before January 1, 2004, to allow the payment of property taxes in installments or to waive late payment penalties. The bill makes conforming amendments.

Effective Date: Upon passage.

Explanation of State Expenditures: The Department of Local Government Finance could incur some additional expense due to the establishment of a schedule of installment payments or to waive late payment penalties. The additional expense would probably be minor and would be covered in the current appropriation.

Explanation of State Revenues:

Explanation of Local Expenditures: County auditors should be able to absorb any additional administrative expense from the petition to the Department of Local Government Finance in their current budgets.

Explanation of Local Revenues: The number of property taxes that might be paid late due to the CY 2002 pay 2003 reassessment is unknown. Local units could experience increased interest expense due to the delay in property tax collections if the installment plan is requested by the county. The county would also experience a loss in revenue if the county requested that late payment penalties be waived.

The first installment cannot be before May 10 nor later than November 10 of the year in which the tax statement is mailed. The last installment payment has to be before June 30 of the year following the mailing of the tax statement.

State Agencies Affected: Department of Local Government Finance.

Local Agencies Affected: All.

Information Sources:

Fiscal Analyst: Chuck Mayfield, 317-232-4825.